

DAN E. ARNETT
CHIEF OF STAFFKATIE C. MORGAN
DIRECTORTELECOMMUNICATIONS, TRANSPORTATION, WATER/WASTEWATER
COPY

February 28, 2007

Mr. Charles L.A. Terreni
 Chief Clerk/Administrator
 Public Service Commission of South Carolina
 P.O. Drawer 11649
 Columbia, South Carolina 29211

By: D. Dule
 Title: SA
 Date: 2/28/07
 CC: _____

DOCKET NO. 2005-224-C - Petition of the Office of Regulatory Staff for the Commission to Order a Rule to Show Cause as to Why the Certificates of Public Convenience and Necessity for Certain Providers of Telecommunications Services Should Not Be Revoked
 -AND-

DOCKET NO. 1999-515-C - Application of Flatel, Incorporated d/b/a Telephone USA (fka: d/b/a Florida Telephone Company) for a Certificate of Public Convenience and Necessity for Authority to Provide Local Exchange Service

Mr. Terreni:

Pursuant to Order No. 2006-662, the Commission granted a temporary reinstatement of Flatel, Inc.'s authority to operate in South Carolina subject to various conditions. We have worked with the Company on these matters. The purpose of this letter is to report to the Commission that the company is now current with the filing of its Annual Reports and its USF Contributors Worksheet as required by the Commission's Regulations and the USF Guidelines. Additionally, the Company has filed its Gross Receipts Reports pursuant to the SC Code of Laws. The ORS is in the process of calculating any outstanding assessments which are due and will proceed with invoicing the company for those outstanding obligations.

Sincerely,

Jim McDaniel
 Program Manager
 Telecommunications Area
 Office of Regulatory Staff

C: Abby Matari, CEO, Flatel

Katie C. Morgan, Director, Telecommunications, Transportation, Water, Wastewater, ORS
 Jeff Nelson, Counsel, ORS

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